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# **Sacramento Housing and Redevelopment Agency**

## **City and County of Sacramento Notice of Funding Availability (NOFA)**

### **Community Development Block Grant Public Facility Projects**

**NOFA # 1925-DS**

**Issued: May 2, 2019**

#### **Application Deadline**

**11:00 a.m. PST – Tuesday, June 11, 2019**

Sacramento Housing and Redevelopment Agency  
Procurement Services – 2<sup>nd</sup> Floor  
801 12<sup>th</sup> Street  
Sacramento, CA 95814

#### **Pre-Application Meeting**

**10:00 a.m. PST– Thursday, May 16, 2019**

Sacramento Housing and Redevelopment Agency  
SHRA Commission Room – 2<sup>nd</sup> Floor  
801 12<sup>th</sup> Street  
Sacramento, CA 95814

The NOFA may be obtained online at:

<https://www.shra.org/doing-business-with-shra/>

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## **INTRODUCTION**

The Sacramento Housing and Redevelopment Agency (Agency) is soliciting applications for eligible public facility improvement activities under the 2019 Community Development Block Grant (CDBG) program. The CDBG program, a U.S. Department of Housing and Urban Development (HUD) program, is authorized by Title I of the Housing and Community Development Act of 1974, as amended. The purpose of the CDBG program is to benefit low-to moderate-income (LMI) households and neighborhoods by developing viable communities which include decent housing, a suitable living environment, and expanded economic opportunities.

The Agency is the Grantee for CDBG funds received annually from HUD and administers these funds on behalf of the City and County of Sacramento. Programs and projects are approved annually by the Sacramento County Board of Supervisors and the Sacramento City Council. The governing boards approved the Agency's recommendation to allocate up to \$100,000 (per jurisdiction) in CDBG funds for eligible public facility projects. Requests must be between \$25,000 and \$100,000. Total project costs can exceed \$100,000, but the applicant must demonstrate that additional funds are available to complete the project. The Agency may select between one and two projects in each jurisdiction. The CDBG Program has limited funding; therefore, the Agency will emphasize the award of funds for the priorities identified in the Consolidated Plan (<https://www.shra.org/wp-content/uploads/2018/06/2013-2019-Consolidated-Plan.pdf>). The Agency, at its discretion, reserves the right to create a multi-year list from the applications received.

Applications may be rejected for the following reasons:

- The Agency determines that the project is an ineligible activity (see below);
- The application is not clear and/or concise; and/or
- The applicant hasn't clearly demonstrated their capacity to complete the project.

Tools and resources to assist you with your application can be found online at:

<https://www.shra.org/subrecipient-contractor-resources/>.

## **ACTIVITY SELECTION AND PROGRAM INFORMATION**

### **Eligible Activities**

The Statute governing the CDBG program specifically limits the types of activities involving public facilities and improvements to the following: acquisition, construction, rehabilitation, reconstruction or installation. The term "reconstruction" signifies a more extensive undertaking than what repair or rehabilitation efforts might entail in that such reconstruction must extend the useful life of the public improvement.

Eligible public improvements are those that serve primarily low- to moderate income (LMI) clients and/or are located in eligible Low- and Moderate-Income Areas (LMA).

- Examples of public facilities include neighborhood parks, tot lots, restrooms, community /senior / youth centers, recreational facilities, etc.
- Examples of activities eligible as part of public facility improvements include replacement and/or construction and installation of HVAC, flooring, smoke/fire alarms, energy efficient windows, installed play equipment, drinking fountains, new pathways, improvements to remove accessibility barriers, restroom improvements, picnic tables, benches, activation of neighborhood sports fields and courts, lighting, and playground structures.

- Purchase of real property or buildings is an eligible activity for government entities only. If land acquisition is proposed, a Phase I Environmental Site Assessment (All Appropriate Inquiries (AAI) compliant) must be made available for review if requested by the Agency. Additionally, if land is acquired, it must be purchased, improvements completed, and/or the building/improvement occupied no later than June 30, 2020. CDBG regulations do not allow for land banking. Please also review the Program Income section below for additional information.

### **Ineligible Activities**

- Maintenance or repair.
- Regional or commercial branding public improvements including monument, gateway / community signs or art (e.g., arches, banners).
- Purchase of equipment that is not an integral structural fixture of a public facility is ineligible under the CDBG program (e.g., basketballs, weights, recreation equipment, office equipment, construction equipment).
- Projects that are located in or part of a single-family or multifamily residential development.
- Improvements to buildings and facilities for the general conduct of government.
- Regional facilities such as: stadiums, sports arenas, regional parks (determination of “regional” can be based on name of park, size, and/or type of amenities compared to an average community or neighborhood park), auditoriums, concert halls, cultural and art centers, convention centers, most museums, and similar facilities that are used by the general public primarily as spectators or observers.
- Private schools, generally including elementary, secondary, college and university facilities but excluding a neighborhood facility or senior center in which classes in practical and vocational activities may be taught.
- Airports, subways, trolley lines, buses, or other transit terminals or stations and other mass transportation facilities.
- Hospitals and other medical facilities open to the public generally, but excluding a neighborhood facility or senior center in which health services are offered
- Treatment facilities for sewage or liquid industrial wastes
- Operating and maintenance expenses
- General government expenses
- Political activities
- New housing construction
- Income payments

### **Project Benefit**

The proposed projects must lead to a new, increased, or enhanced level of service or improvements and also demonstrate a benefit to low- and moderate income areas or low- and moderate income clientele.

**Low- and Moderate-Area Benefit Activities (LMA):** An activity that benefits all the residents in a particular area and where at least 51 percent of the residents are LMI persons is an area benefit activity. A defined service area must be 1) clearly identified around the public facility, 2) primarily residential, 3) and meet the identified needs of LMI persons. The defined service area will be used to determine if the LMA requirements are met or rather if income documentation and record keeping are required to determine eligibility. The Agency will review the service area map included with the application and will verify the service area and if the activity is eligible.

Per HUD regulations, an eligible service area can simply be a pre-determined LMA census block group or tract. However, the applicant can define the service area by other means. **Attachment A** identifies the eligible census block groups or tracts that are effective as of April 1, 2019, in the County of Sacramento. In addition to **Attachment A** use Parcel Viewer, which is a mapping service operated by the County of Sacramento, can assist in confirming the eligible block group or tract of the proposed project location. Its web address is: [http://generalmap.gis.saccounty.net/JSViewer/county\\_portal.html](http://generalmap.gis.saccounty.net/JSViewer/county_portal.html). After clicking on the link, you will be in the County of Sacramento’s Parcel Viewer. Enter the Project’s address or APN, select search, and once the address/APN is found, select the layer feature to locate “Demography” to select “2010 Census Block Groups” and “2010 Census Tracts” to determine if the proposed project is in a LMA census block group or tract (**Attachment A** provides all eligible census block groups and tracts within Sacramento County). Please contact the County’s Help Desk for assistance using Parcel Viewer as it is a County maintained website.

If a project is not in LMA census block group or tract then documentation must be provided demonstrating why a project qualifies under LMA benefit. The following should be considered:

- A service area is generally ½ mile radius around the proposed project.
- In designating the service area for a particular activity, please take into account 1) the nature of the activity; 2) the location of the activity; 3) accessibility (e.g., geographic barriers, user fees, hours service is available); and 4) comparable facilities or services.
- For accessibility, please keep in mind that natural (e.g., river) or man-made (e.g. highways/freeways/canals) geographic barriers cannot be included within the ½ mile radius of the proposed project’s service area as a geographic barrier because it prevents residents of adjacent areas from easily accessing the Project.
- The nature, location, and accessibility of comparable facilities and services must also be considered in defining a service area. In most cases, the service area for one activity should not overlap with that of a comparable activity (e.g. two parks or community centers in the same neighborhood, two fire stations, two clinics, or two neighborhood housing counseling services).

**OR**

**Limited Clientele Activities (LMC):** Rather than qualify a project under LMA, the proposed public facilities improvement project will benefit limited clientele, where at least 51 percent of those persons served are low- and moderate income persons. However, the applicant must be able to demonstrate that the population served is anticipated to serve a supermajority of low- and moderate income individuals (65 percent) as to minimize the potential for triggering repayment.

For LMC activities, income and demographic information and record keeping are required. This documentation is required to be made available upon request and for up to five years after project close-out. Demographic information includes; but is not limited to, race, income, female and elderly head of household.

This category can also include activities that serve clientele that are *generally presumed to be principally* low- and moderate income *persons* including homeless, abused children, battered spouses, elderly persons (62+), severely disabled persons or migrant farm workers.

**Note:** Removal of architectural barriers to enhance mobility for the disabled does not require a LMA or LMC determination to be made. However, a proposed project under this category must demonstrate the impact and benefit of the project.

### **2018 Income Limits for LMI Clients**

HUD defines low-and moderate-income as 80 percent or lower of area median income adjusted for household size. The chart below provides the 2018 HUD Income Limits relevant to this CDBG NOFA.

<b>Household Size</b>	<b>Mod-Low – 80 % AMI</b>
1 Person	\$ 44,900
2 Persons	\$ 51,300
3 Persons	\$ 57,700
4 Persons	\$ 64,100
5 Persons	\$ 69,250
6 Persons	\$ 74,400
7 Persons	\$ 79,500
8 Persons	\$ 84,650

Source:

[https://www.hudexchange.info/resource/reportmanagement/published/HOME\\_IncomeLmts\\_State\\_CA\\_2018.pdf](https://www.hudexchange.info/resource/reportmanagement/published/HOME_IncomeLmts_State_CA_2018.pdf)

*Note: As of April 2015, HUD Office of Community Planning and Development (CPD) programs and grantees are to follow the HUD HOME Investment Partnerships Program (HOME) Income Guidelines, last updated April 2018. Under these limits, 80 percent or lower of median income is represented as “low-income”.*

### **Income Eligibility Calculator**

The Agency has developed an interactive tool that makes determining the income eligibility for beneficiaries of CPD programs as easy as 1-2-3. Simply enter the requested data and this calculator will work behind the scenes to generate a summary of results for each beneficiary. If your project is awarded and you are required to record beneficiary eligibility, you should then print out the summary and include it as part of the beneficiary's file. The calculator is located on the Agency’s website ([www.shra.org](http://www.shra.org)) on the “Resources for Landlords Managing SHRA Regulated Properties” page under the Multifamily Compliance Manual and Reporting Requirements section. The Agency **Income Calculation Sheet** (Excel) is located in the **Forms and Reports** section and can be found online at <http://www.shra.org/landlord-resources-shra-financed-developments/>.

### **Who is Eligible to Apply**

Eligible applicants include non-profit organizations (including faith-based organizations) and government entities or public agencies that are not local units of government.

The cities of Elk Grove, Citrus Heights, and Rancho Cordova receive their own CDBG entitlement and are ineligible to apply, as is any non-profit, government entity, or public agency with a proposed project with a service area determined to be a majority served within those jurisdiction boundaries.

Religious organizations are eligible to apply per Executive Order 13279. Organizations that receive HUD funds may not engage in inherently religious activities, such as worship, religious instruction, or proselytizing, as a part of the program or services funded by HUD. Inherently religious activities must be offered separately, in time or location, from the programs, activities, or services supported by direct HUD funds.

Additionally, participation in religious activities must be *voluntary* for your HUD-funded service beneficiaries. They should have no feeling or sense that their participation in inherently religious activities that are separate in time and/or place from HUD-funded activities, or even participation in something like prayer before a meal, is somehow required for them in order to receive HUD-funded services.

Also, program beneficiaries must understand that they are free to participate or not, not only in your organization's religious activities, but in your organization's religious affiliation itself. That is, *your HUD-funded services must be open to all who are eligible for them*, whether they are members of your church, denomination, or religion; or not.

Please note that, depending on the project, a Conditional Grant Agreement (CGA) or Regulatory Agreement (RA) may be required for any non-profit organization selected. A CGA includes a Deed of Trust being secured on a property and/or building equal to the useful life and cost of the improvements. An RA includes covenants, conditions and restrictions on a property and/or building equal to the useful life and cost of the improvements.

### **Proposed Project Deadline**

Project(s) must be substantially underway and operational by December 31, 2019 and substantially invoiced by January 31, 2020. The project must be complete and/or operational by June 30, 2020 with final invoice and reporting submitted to the Agency no later than July 31, 2020.

### **Pre- and Post-Award Costs Requirements**

- No funds may be obligated without an executed contract.
- Funds cannot be used to pay for an item that was ordered/purchased before the execution of a contract.
- The Agency does not make advance payments and only pays on a reimbursement-basis.
- The Agency does not pay subcontractors or subconsultants directly.

### **Project Signage**

Depending on the project, the Agency may require a Partners and Funding sign be placed at the site during construction and/or post-construction to be part of the final project. You are not required to include the sign in your proposal and/or budget. If selected, Agency staff will work with the awardee on details regarding the sign.

### **Program Income**

If real property is acquired with CDBG funds (for the purpose of this application: government entity or public agency), or any interest therein, or is subsequently transferred to another entity, the property or interest must be sold to the entity at the current fair market value, unless the property will be used for an activity which meets a CDBG national objective. The Agency must be consulted and agree in writing before the sale or transfer of the property. Sale proceeds are program income and must be returned to the Agency (References: Title 2 CFR §200.313; 24 CFR §85.31, §85.32, §570.201(b) and §570.500(a)(1)(i), 570.503(b)(7), Playing by the Rules and May 1989 HUD CDBG Memorandum.).

### **Recapture Provisions**

Due to CDBG recapture provisions, if a project falls out of compliance, the Awardee must be able to ensure the benefit requirements for the term of the repayment provisions are enforceable and are likely to be met. The Agency shall be consulted if the Awardee is contemplating changing the use of the



property to ensure the new use meets a National Objective. If the Agency is not consulted and does not agree in writing, the Awardee must repay the CDBG funds.

### **Depreciation**

The depreciation rate for the improvements that guide the repayment provisions are based upon the useful life of the improvements paid for by the grant.

### **Procurement**

Applicants must demonstrate they have the capacity to procure contractors and/or consultants in compliance with all applicable rules and regulations including, but not limited to, 2 CFR 200.

### **Davis-Bacon, State Prevailing Wages, and Labor Compliance**

Certain labor standards and wage provisions are triggered for construction work financed in whole or part with CDBG funds. All laborers and mechanics must be paid at minimum the higher of State of California prevailing wages or Federal Davis-Bacon wages. Awardees and their contractors are responsible for ensuring full compliance. Please visit our website at:

<https://www.shra.org/subrecipient-contractor-resources/> for more information on wage and labor compliance. At a minimum, please refer to the following documents for more information:

- CDBG Attachment
- Federal Labor Standards Provisions
- HUD Subrecipient Oversight Guidebook
- CDBG Subrecipient Workshop

### **Environmental Review**

All projects must comply with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), particularly 24 CFR 58. Environmental review is required even if your project already has previous environmental review completed by and/or for other agencies or organizations. Environmental review will be performed by the Agency Environmental Coordinator on behalf of the applicant if the project is awarded.

Environmental review may require additional funds that should be taken into account early on in project planning. The project/applicant may be charged if the project requires SHRA to expend funds on environmental review from consultant assistance, noticing or publishing required to meet regulations. Contact Stephanie Green at (916) 440-1302 or [sgreen@shra.org](mailto:sgreen@shra.org) if you have questions regarding environmental review. *See **Attachment B** for further information on environmental review requirements.*

### **Contact**

All questions and requests for clarifications concerning this project are to be directed in writing to:

Jacqueline Martinez-Juarez, Community Development Analyst  
[jmjuarez@shra.org](mailto:jmjuarez@shra.org)

All questions concerning submittal procedures, requirements and selection procedures are to be directed in writing to:

Darrin Samford, Compliance/Procurement Analyst  
[dsamford@shra.org](mailto:dsamford@shra.org)

Do not contact other Agency employees or Selection Committee members regarding this project or the selection procedures. The Agency will not be responsible for oral or other explanations / interpretations of the NOFA document or procedures. If it becomes necessary to revise any part of this NOFA, an addendum to the NOFA will be issued and posted on the Agency’s website @ [www.shra.org](http://www.shra.org) under the **Doing Business With SHRA** tab and the name of this solicitation.

## **SUBMISSION PROCEDURES, REQUIREMENTS AND SELECTION PROCESS**

### **NOFA Timeline**

May 2, 2019	NOFA Issued
May 16, 2019	Pre-Proposal Meeting 10:00 a.m. PST
May 22, 2019	Questions due in writing by 11:00 a.m. PST
May 24, 2019	Responses to questions received by 11:00 a.m. PST ( <b>posted to website</b> )
June 11, 2019	Proposals due by 11:00 a.m. PST. <b>Postmarks will not be accepted.</b>

Responses to questions and other updates will be posted on the Agency’s website @ [www.shra.org](http://www.shra.org) under the **Doing Business With SHRA** tab and the name of this solicitation.

### **Pre-Application Meeting**

A Pre-Application meeting will be held on **Thursday, May 16, 2019 at 10:00 a.m. PST**, at:

Sacramento Housing and Redevelopment Agency  
SHRA Commission Room – 2<sup>nd</sup> Floor  
801 12<sup>th</sup> Street, Sacramento, CA 95814

The Pre-Application meeting is not mandatory; however, agencies and organizations interested in submitting applications are encouraged to attend.

### **Time and Place for Submission of Applications**

Applicants must submit **one hard copy and one electronic copy (Flash Drive)** of their applications to:

Sacramento Housing and Redevelopment Agency  
Attn: Darrin Samford – NOFA # 1925-DS  
801-12<sup>th</sup> Street  
Sacramento, CA 95814

**All submissions must be received no later than 11:00 a.m. PST on Tuesday, June 11, 2019.** If the submission is late, incomplete, or lacking in the number of copies required, that agency or organization may be eliminated from consideration. Postmarks, e-mails, and faxed applications will not be accepted.

After selection and execution of the contracts, all information and materials provided in each application received is subject to disclosure through a Public Records Request pursuant to the California Public Records Act.

### **Application Format**

**Hard copy applications are to be bound, double sided standard sized (8.5” x 11”) pages.** The total allowable length of all hard copy and electronic submission materials may not exceed 16 pages (8 double-sided pages); exclusive of any folder or binder and for non-profits, all of the items described in number 14 below. Stapled documents will not be accepted. Applications that do not meet application format requirements may be rejected.

Brevity is encouraged; however, be sure to fully address each item listed below as part of your NOFA application. To facilitate review by the Selection Committee, please submit information in accordance with the following format, identifying each item, in order, by the appropriate number. Number each page.

**Cover letter** introducing your organization or agency, its location, history and team experience with similar projects. The letter should be executed by an authorized signatory on agency letterhead. Please also include the following information:

- Amount of CDBG funding being requested and a brief project summary;
- Name of primary point of contact and his/her address, phone number, and email;
- Your acknowledgement that you have reviewed and understand the requirements of this solicitation and any referenced documents, including those posted on our website.
- Your intent to comply with all labor, wage, employment, and Section 3 Requirements as detailed in this solicitation.

1. **Experience in Successful Completion of Public Facility Improvement Projects:** Describe your organization’s or agency’s experience in completing a similar project, preferably in compliance with applicable procurement rules and regulations including, but not limited to, 2 CFR 200.
2. **Experience in Providing Public Services or Benefits to LMI Persons or Neighborhoods:** Describe your organization’s or agency’s experience in providing services and/or benefits to LMI persons or neighborhoods, and/or other CDBG qualified beneficiaries such as the elderly, illiterate adults, homeless persons, abused children and/or battered spouses.
3. **Project Summary:** Provide a clear project summary that includes a project description, including any construction activities and improvements; anticipated impact of the project; how the project meets the LMA or LMC requirement, including support documentation, size and characteristics of population to be served, and/or description of geographic area to be served, including project address and Census Block Group or Tract. Confirm how the proposed project will result in a new or enhanced public facility or improvement and/or provide a new or expanded public service or program. If the project includes improvements to a building, applicants must provide the approximate age of the building.
4. **Project Location Map:** Provide a map with the project name, location (address or APN), census block group or tract, and service area boundary (LMA census block group or tract or otherwise) corresponding to the proposed project. See **Attachment A** and the “Project Benefit” section above for a link to Sacramento County’s mapping tool - Parcel Viewer.
5. **Cost Estimate:** Provide the project cost estimate. Describe how the amount of CDBG funds requested is justified by accurate cost estimates and provide details on who [i.e., architects, engineers, construction company, vendors, staff] provided the cost estimates for the proposed project. If the facility you are applying for has received CDBG funds in the past for improvements/expansion, please explain when the funds were allocated, outcomes and justification for the request of additional CDBG funds. Please note that costs of staff to deliver a project are an eligible cost. Costs to consider include engineering or architect costs, permits, prevailing or Davis-Bacon wages contingency, etc.
6. **Leverage:** If the proposed project requires more funds than being requested, please document other funding sources that are committed to the proposed project. The Agency will reimburse the

selected applicant(s) for costs related to the project only for costs that are incurred after the execution date of the contract, if awarded, with an agreed upon scope of service. The selected applicant(s) is required to have enough funds on hand to pay project related costs while awaiting the Agency’s reimbursement.

7. **Provide the plan to operate and maintain the Project once completed.**
8. **Site Control:** Please submit documentation that the applicant has site control or access (or will gain site control if funding request includes site acquisition) of the property in which funds are being requested for. This can include property ownership or long-term lease. Please note that if you do not own the building or property, you may be asked to provide proof from the party in which the applicant holds the lease with that the applicant has the authority to implement the project.
9. **Applicable Project Permits:** Please describe required permits and how they will be obtained.
10. **Compliance with Project Completion Deadline:** Describe the project activities to be completed within the Deadline (June 30, 2020), defining the following milestones at a minimum:
  - Design/Engineering
  - Environmental review and clearance by the Agency
  - Procurement and Bidding (including Section 3 requirements)
  - Notice to Proceed
  - Permits/Notifications
  - 50 percent expenditure level
  - 75 percent expenditure level
  - 100 percent expenditure level
  - Certificate of Occupancy (if applicable)
  - Project completion, LMI beneficiaries data reported (National Objective met) closeout report and final reimbursement request submitted to Agency staff no later than July, 31, 2020.

*Example Format (Start month does not have to be January):*

Month	Specify Project Milestone/Action Completed	Amount of CDBG Expended	% of Project Budget
January			
February			
March			
ETC.			
<b>Total:</b>			

11. **Authority to enter into contract:** Provide documentation demonstrating the project is authorized and granting a designated person the authority to enter into an agreement/contract with the Agency, and that the organization or agency will comply with all reporting requests.
12. **Pictures of the existing project, if desired.**
13. **Procurement policy** that meets the requirements of 2 CFR 200.

**14. Completed DECLARATION OF UNDERSTANDING AND INTENT TO COMPLY WITH SECTION 3 REQUIREMENTS from ATTACHMENT C.**

**15. Non-Profit Organizations only:** Non-profit organizations must have had non-profit 501(c)(3) status for at least two full years or have two full years of operating experience under another non-profit entity which meets this criteria and an active Board of Directors. Please provide proof of this status. Please also provide the following documentation:

- A copy of your California Certificate of Good Standing, issued by the California Secretary of State.
- Adopted By-Laws.
- Documentation that you are registered and licensed to do business in the State of California at the time of application.
- A copy of non-profit board adopted written financial management procedures, including staff responsibilities and required procedures.
- Conflict of Interest Policy
- **In a clearly marked envelope separate from your bound application,** provide one copy of your organizations most recently audited financial statement, which covers at least 12 months of operation, prepared by a qualified accountant or CPA. If the non-profit has an annual income which exceeds \$100,000, the non-profit must have conducted an annual independent audit. The audit should be in compliance with 2 CFR 200 and not have any unresolved issues.

***NOTE:** Financial statements will be kept confidential and reviewed by Agency staff only. They will not be shared with the Selection Committee or any third party. Financial statements are to be provided for review only and will be returned at the completion on the selection process.*

**Proposal Review**

The Agency will initially determine the Project’s eligibility. If the application is not clear, concise, and/or complete or the Project is not within a CDBG low- to moderate-income Census Block Group or Tract or clearly serve a supermajority (65 percent) of LMI residents, or if it appears the applicant does not have the capacity to complete the project then the applicant shall be rejected.

**Selection Process**

1. A Selection Committee will be established according to Agency policy. Each Selection Committee member will evaluate each proposal individually, then meet as a group (if necessary), discuss their evaluations and determine the final rankings. At the sole discretion of the Selection Committee, oral interviews may be conducted after the evaluations and a selection made after the oral interviews.
2. After the proposal review, all proposals deemed to be responsive and eligible will be submitted to the Selection Committee for their review.
3. The Selection Committee will review proposals that pass the initial submittal review. Proposals will be scored on the information provided and the Selection Committee will select the most qualified firm(s). It is anticipated that the Selection Committee will rank the Projects and make the final selection directly from the written submittals. However, the Agency reserves the right to request clarifications or additional information from any or all firms. At the sole discretion of the

Selection Committee, oral interviews may be conducted with the highest rated proposers and a selection made after the oral interviews.

4. The Agency intends to award a contract to the Project(s) that is/are determined to be the most responsive to the requirements of the NOFA and who can accomplish the requirements set forth in this NOFA in a manner which is overall most advantageous to the Agency. In this context, the Agency specifically reserves the right to award to a firm other than the one with the lowest cost Project and to award more than one Project.
5. Should any applicant wish to protest the final selection, they shall have until 11:00 a.m. PST, ten calendar days after the date of the selection letter to submit a written protest to the Agency. The written protest shall be full and complete; specifying in detail the grounds of the protest and the facts supporting the protest or it will not be considered. Any applicant who has a legitimate protest must claim to be eligible for award of the contract and must provide written, verifiable evidence that the awarded applicant(s) is/are not qualified. Protest letters are to be sent to:

Sacramento Housing and Redevelopment Agency  
Attn: Vance Kelly, Procurement and Contracts Manager  
801 12<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Sacramento, CA 95814  
[vkelly@shra.org](mailto:vkelly@shra.org)

All protests shall be resolved in accordance with the Agency's protest policy and procedures, copies of which are maintained at the Agency and available upon request.

### **Evaluation Criteria**

#### *1. Project Readiness – Maximum 40 Points*

Site control, project has appropriate site control, can be completed in required time allotted.

#### *2. Experience – Maximum Points 25*

Applicant has proven record of performance with similar projects using Federal funding.

#### *3. Capacity – Maximum 25 Points*

Capacity of applicant (staff, resources) is sufficient to complete the proposed project.

#### *4. Project Impact – Maximum 10 Points*

Level of service or improvements and benefit and to targeted clientele.

### **Award of Contract**

Following final selection and all pre-contract items have been addressed (insurance, environmental review, etc.) a contract will be executed with the selected organization(s) and/or agencies. The Agency's Standard Contract is provided in **Attachment D**. Prospective applicants are advised to review the contract, and all provisions and attachments to the contract, before submitting their application.

## **LABOR LAW AND SECTION 3 REQUIREMENTS**

### **Labor Law**

All projects resulting from a grant of CDBG funds are subject to Federal labor standards, affirmative action requirements, Section 3 Requirements of the HUD Act of 1968, and the Minority and Women Owned Business Enterprise standards.

All projects resulting from a grant of CDBG funds are considered Public Works projects under California State law. Effective March 1, 2015, per California State Labor Code Section 1771.1 (a), a contractor or subcontractor shall not be qualified to bid on, be listed in an application, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. The Contractor and all Subcontractors, of any tier, performing work on a public works project must comply with the requirements of the California Labor Code including but not limited to Sections 1771, 1774, 1775, 1776, 1777.5, 1813 and 1815. Notwithstanding any other requirements (including federal labor requirements), this contract is subject to compliance monitoring and enforcement by the Department of Industrial Relations (DIR).

Under the labor laws, the prime or general contractor is responsible for full compliance with applicable requirements, including all employers/subcontractors on the project. Funded-activities must comply with CDBG labor standards per Section 110; §570.603; 40 USC, Chapter 3, Section 276a-276a-5; 29 CFR Part 1, 3, 5, 6 and 7; 40 USC, Chapter 3 Section 276c; 18 USC, Part 1, Chapter

41, Section 874; 29 CFR Part 3; 40 USC Chapter 5, Sections 326-332; 29 CFR Part 4, 5, 6 and 8; 29 CFR Part 70 to 240. See below for additional information.

Note that per Section 110 of the Housing and Community Development Act of 1974, as amended, Subsection (a) shall not apply to any individual that performs services for which the individual volunteered.

### **Section 3 Requirements**

The Agency highly encourages participation by local qualified firms and organizations in all aspects of contracting. The Agency actively encourages participation of Small Business Enterprises (SBE), Minority and Women Owned Business Enterprises (M/WBE), and Section 3 businesses in all aspects of contracting.

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3), requires SHRA and its Participating Agencies to ensure that employment and other economic and business opportunities are directed to public housing residents and other low-income persons, to the greatest extent feasible; particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very low-income persons (Section 3 Residents).

During the term of this contract, should the Awardee and/or any of its contractors and/or subcontractors have the need to hire new employees as a result of the award, to the greatest extent feasible, the Awardee and any of its contractors or subcontractors has the responsibility of demonstrating its efforts to hire Section 3 residents to fill those needs. The contract resulting from this solicitation is subject to Section 3 requirements including those requirements detailed in **Attachment C**.

### **Insurance Requirements**

During the term of the contract, the selected agencies or organizations shall maintain the following insurance coverage from insurance providers licensed to do business in California and having a Best's rating of at least A-VII, or a rating of such other service as SHRA, in its sole discretion, shall require.

The same insurance requirements apply to any and all subcontractors the selected agency or organization may employ.

1. Commercial General Liability – A policy of comprehensive general liability insurance which shall include, without limitation, coverage for contractual liability, public liability and property damage, written for not less than \$1,000,000 per occurrence for all covered losses and \$2,000,000 general aggregate and having a deductible of Twenty-five Thousand Dollars (\$25,000) or less.
2. Automobile Liability – If motor vehicles are used in performing services in connection with this contract, a policy of automobile liability insurance written for not less than the liability coverage stated. For owned, non-owned and hired autos, written for not less than \$1,000,000 or more of automobile liability coverage having a deductible of Five Thousand Dollars (\$5,000) or less.
3. Workers Compensation – A state approved Workers Compensation and Employers Liability Insurance policy providing benefits as required by law with employer’s liability limits no less than \$1,000,000 per accident or disease, which covers all employees of the contractor and each and every subcontractor.

On the Commercial General Liability and Automobile Liability Insurance policies; the “Sacramento Housing and Redevelopment Agency and its constituent entities” shall be listed as additional insureds. All insurance certificates and the underlying policies shall each contain a provision stating that coverages afforded under the policies can only be cancelled after thirty (30) days prior written notice has been given to SHRA of the pending cancellation and within ten (10) days for non-payment.

A current certificate of insurance shall be maintained at the Procurement Services Division office, 801 12<sup>th</sup> St., Sacramento, CA. 95814, during the term of the contract.

*With **NO EXCEPTIONS**, all of the insurance requirements listed above must be met prior to the selected agencies / organizations being awarded a contract for this NOFA. The selected agencies / organizations may request a waiver from SHRA Legal Department for some of the insurance requirements; however, should the request be denied no contract will be awarded. Do not submit proof of insurance with your application.*

#### Flood Insurance Requirements

Per 24 CFR 58.6 and the Flood Disaster Protection Act of 1972, Federal financial assistance may not be used for acquisition or construction (including rehabilitation) of a structure in a Federal Emergency Management Agency (FEMA) Special Flood Hazard Area (SFHA). However, as long as the respective jurisdiction participates in the National Flood Insurance Program (NFIP), Owner is allowed to receive Federal financial assistance as long as Owner obtains and maintains flood insurance under NFIP equal to the value of the Federal financial assistance provided and for the useful life of the improvements to the subject property. Flood insurance only needs to be obtained and maintained for the subject building, not the entire property. Obtaining flood insurance is not required at the time of application, but will be required before a contract can be executed, if an application is awarded.

To determine if your property is in an SFHA, you can search your address here:

<https://msc.fema.gov/portal/search>.



**Agency Options, Rights and Policies**

1. The Agency reserves the right to decide that one or more applicants are more responsive than the others and to select after review of the applications only.
2. The Agency reserves the right to make a multi-year list of projects at its discretion.
3. The Agency reserves the right to reject any and all submissions, request additional information, amend the project schedule, or issue additional requirements throughout the selection process. It is the responsibility of the applicant to verify that all necessary information is submitted by the due date. The Agency shall be the sole judge of the immaterial inconsistencies, and its decision shall be final.
4. The Agency reserves the right to modify any portion, postpone or cancel this NOFA at any time, and/or reject any and all submissions without indicating any reason. No submission documents will be returned, unless specifically stated in this solicitation.
5. Any referenced regulations and materials in this solicitation are subject to change after issuance of this solicitation.
6. The Agency reserves the right to reject individual team members, agencies, organizations and request substitution without indicating any reason prior to contract award.
7. The Agency highly encourages participation by local qualified agencies and contractors in all aspects of consultant contracting unless the project requires unusual or highly specialized services.
8. The Agency actively encourages participation of small, minority and women owned business enterprises in all aspects of contracting.
9. No compensation is offered for any work related to this selection process. Submissions are entirely voluntary. All original documents including electronic files become the property of the Agency, unless specifically indicated in this NOFA. If any submission is late or incomplete in any way, that team will be eliminated from consideration.
10. Materials contained in each application will be considered proprietary until selection. Following selection, however, the contract scope of work may be amended by the Agency and negotiated based upon ideas provided by any source.
11. In accordance with federal and state laws, the Agency does not discriminate on the basis of race, color, national origin, gender, sexual orientation, religion, age, veteran's status or disability in the provision of services.
12. Procured applicants/consultants/contractors will not be considered Agency personnel and the Agency assumes application of certain personnel to be a statement of their availability to do the work.
13. The Agency reserves the right to select more than one application, to select an application(s) for specific purposes or for any combination of specific purposes, and to defer the selection of any application(s) to a time of the Agency's choosing.
14. An applicant will be considered non-responsive if they fail to respond in a timely manner to correspondence from Agency staff during the selection or contract process. If found non-responsive, the Agency reserves the right to rescind the award.

ATTACHMENT A

2019 Low/Mod Census Tracts (effective 4/1/19) *				
000400	003600	005001	006500	007501
000500	003700	005002	006600	007503
000600	003800	005101	006701	007602
000700	004100	005201	006702	008131
001101	004201	005205	006800	008133
001200	004202	005301	006900	009005
001300	004203	005402	007001	009103
001400	004300	005502	007004	009105
001800	004401	005505	007011	009110
001900	004402	005506	007013	009318
002000	004501	005509	007019	009319
002100	004502	005510	007202	009320
002200	004601	005601	007209	009501
002700	004602	005605	007301	009503
002800	004701	005903	007406	009504
003000	004702	006003	007413	009601
003101	004801	006101	007414	009606
003102	004802	006102	007416	009609
003202	004903	006201	007422	009610
003203	004904	006202	007423	009633
003204	004905	006300	007424	009634
003501	004906	006400	007429	009800

2019 Low/Mod Block Groups (effective 4/1/19) **				
008002	056062	074282	081172	092011
015001	058012	075042	081301	093123
017003	059041	076012	081302	093161
017005	059043	077012	081342	093171
026001	060022	077013	081343	093211
029001	070102	077015	082083	093291
029003	070103	078011	084043	095022
034001	070122	078012	085062	095023
035022	070143	079032	091061	096081
035023	071051	079034	091072	099001
040061	072041	079062	091083	
040101	074172	080072	091093	
052041	074271	080093	091112	
055083	074273	080104	091121	

\* Counties are made up of Census Tracts

\*\* Census Tracts are made up of one or more Block Groups

## **ATTACHMENT B**

### **ENVIRONMENTAL REVIEW**

#### **I. OVERVIEW**

All Projects must be reviewed for and comply with CEQA and NEPA (particularly under the U.S. Department of Housing and Urban Development’s environmental review regulations at 24 CFR 58) before making a commitment to the project or undertaking any discretionary action. A **PROJECT** includes any action that has the potential to result in a physical change in the environment, including providing financial assistance or approvals for improvements to be undertaken by a private party.

The type of environmental review to be undertaken depends on a number of factors, including whether the proposed project involves improvements to an existing facility, rehabilitation, reconstruction or new construction activities, whether the project will change the size or capacity of the facility by 20% or more, whether the cost of the rehabilitation exceeds 75% of the total cost of the replacement value of the property after rehab and whether the proposed project involves a change in the existing use.

Factors that are considered during the environmental review process include impacts to the environment as well as to humans. There are several factors that could add to the complexity, cost and time to complete the review. Some of these factors include the following:

- The age of the existing facility or if it exists on a historic register, the facility’s proximity to other historic properties or districts;
- The depth and extent of ground disturbance;
- Potential hazards on the site such as toxic contamination, proximity to above ground storage tanks, and proximity to airports and airport clear zones;
- Projects located in flood hazard zones or in floodplains;
- Projects that may impact endangered species or wetlands; and
- Projects in proximity noise sources, such as busy roadways, airports and train tracks.

Environmental review may require additional funds that should be taken into account early on in project planning. *The Agency will make the determination if environmental clearance is sufficient.*

#### **Exempt Projects (CEQA and NEPA)**

*Minimum Time: 2-14 days*

Certain types of projects are exempt from environmental review because it has been determined that there is no possibility that the project could have a significant adverse effect on the environment. Under CEQA, a Notice of Exemption (NOE) may be filed, which triggers a 35 day statute of limitations for the project. If a NOE is not filed, a longer 180 day statute of limitations applies. NEPA exemptions require that a limited review be undertaken for the activity, which considers if the activities will require formal compliance with flood insurance and airport hazard requirements. These documents should be kept on file as the Environmental Review Record for the project.

Additionally, the exemptions allowed under CEQA are different than the exemptions under NEPA. Just because a project is exempt under CEQA doesn’t mean it is exempt under NEPA, and vice versa.

Examples of exempt projects under NEPA include planning activities, environmental and other

studies, engineering and design, administrative and management activities and public services that don't result in physical changes. Additionally, some projects under NEPA are Categorically Excluded and convert to exempt by right including rental assistance, operating costs, routine maintenance (more information on the Categorical Exclusion process below).

A list of exemptions under CEQA can be found In the CEQA guidelines, sections 15260-15285 and 15300-15332. There are several classes of exemptions that can be used for development projects located in infill areas, designated for affordable housing, or that have been considered under a previous specific plan.

### **Categorically Excluded (NEPA)**

*Minimum Time: 2-47- days\**

*\*This time frame may be extended if consultation with oversight agencies is required.*

A project that is categorically excluded generally requires more review than does an exempt project, but does not necessarily require more significant review such as an Environmental Assessment or Environmental Impact Statement. Categorically Excluded projects typically include one or more of the following activities: repair or rehabilitation of public facilities and improvements of non-buildings (depending on the size and scope of the project), property disposition or acquisition, and maintenance and operations of existing facilities. For the list of categorically excluded HUD-NEPA projects visit: <http://www.ecfr.gov/cgi-bin/text-idx?SID=d098897e81508415cf8ef9e70c14f306&node=24:1.1.1.1.33.4.71.5&rgn=div8>

A Categorically Excluded project usually requires a review to be undertaken by the applicant or by SHRA that looks at the project's impact on up to 16 factors. These factors include: airport hazards, coastal barrier resources, flood insurance, clean air, coastal zone management, contamination and toxic substances, endangered species, explosive and flammable hazards, farmlands protection, floodplain management, historic preservation, noise abatement and control, sole source aquifers, wetlands protection, wild and scenic rivers, and environmental justice.

If a Categorical Exclusion results in formal compliance activities or mitigation measures, publication of a Notice of Intent to submit a Request for Release of Funds (NOI-RROF) is required, followed by a 15-day public notice period. Once the public notice period has ended, a RROF is submitted to HUD and this is followed by a 15-day HUD Field Office review. The project may not be approved until HUD has provided an Authority to Use Grant Funds (form HUD-7015.16) for the project.

Projects not requiring formal compliance measures may be undertaken as soon as the review is completed an approval is given by SHRA to proceed.

### **Initial Study/ Negative Declaration (IS/ND or IS/MND) (CEQA)**

*Minimum Time: ~45-55 days\**

*\*This time frame may be extended if consultation with oversight agencies is required.*

An Initial Study is required for any projects which do not fall under the category of exempt. A CEQA Initial Study will review the project based on the following environmental factors: aesthetics, biological resources, geology and soils, hydrology and water quality, noise, recreation, utilities and service systems, agriculture and forestry resources, cultural resources, greenhouse gas emissions, land use and planning, population and housing, transportation, wildfire, air quality, energy, hazards and hazardous

materials, mineral resources, public services, tribal cultural resources, and other mandatory findings of significance.

The Initial Study will result in either a Negative Declaration (ND) (if no impacts are identified), a Mitigated Negative Declaration (MND) (if impacts can be mitigated to less than significant), or will require that an Environmental Impact Report (EIR) is prepared (if impacts are identified that cannot be mitigated to less than significant).

An ND or MND will require filing of a Notice of Intent (NOI) to adopt an ND/MND and a 20-30 day public review period. The project cannot be undertaken until the public review period has ended, comments have been addressed, and the Lead Agency adopts the environmental document and approves the project.

### **Environmental Assessment (EA) (NEPA)**

*Minimum Time: 60-70 days\**

*\*This time frame may be extended if consultation with oversight agencies is required.*

If a project is not found to be exempt or categorically excluded from NEPA, an EA is required. Examples of projects that require an EA include new construction of facilities and housing and public works and infrastructure projects. Major rehabilitation projects may also fall into this category.

An EA will look at the project's impact on all the factors covered under a review for a Categorical Exclusion, as well as several additional factors. An EA will always require publication of a Finding of No Significant Impact (FONSI) and a Notice of Intent to submit a Request for Release of Funds (NOI-RROF). The publication of these notices is followed by a 15-day public notice period. Once the public notice period has ended, a RROF is submitted to HUD and this is followed by a 15-day HUD Field Office review. The project may not be approved until HUD has provided an Authority to Use Grant Funds (form HUD-7015.16) for the project. In some cases, a Negative Declaration/IS and EA may be combined if both types of reviews are needed.

### **Environmental Impact Report (EIR)/Environmental Impact Statement (EIS)**

*Minimum Time: 9-12 months.*

If an EA results in a finding that a project will have potentially significant impacts on the human environment then an EIS must be prepared. An EIR is the CEQA version of an EIS, required if an Initial Study identified potentially significant impacts that cannot be mitigated to less than significant.

EIRs and EISs require a much more stringent review and identification of impacts, as well as a more in-depth public involvement and noticing criteria. These types of documents are rare but can require a significant amount of time and money to complete.

**For full details on NEPA, please refer to 24 CFR Part 58:**

[http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr58\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr58_main_02.tpl)

**For full details on CEQA, please refer to CEQA Guidelines Chapter 3 (15000-15387):**

[http://resources.ca.gov/ceqa/docs/2014\\_CEQA\\_Statutes\\_and\\_Guidelines.pdf](http://resources.ca.gov/ceqa/docs/2014_CEQA_Statutes_and_Guidelines.pdf)

## ATTACHMENT C



### SECTION 3 OVERVIEW

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires SHRA to ensure that employment and other economic and business opportunities are directed to public housing residents and other low-income persons, to the greatest extent feasible, particularly recipients of government housing assistance, and *business concerns that provide economic opportunities to low- and very low-income persons (Section 3 Residents)*.

*Outlined below are minimum requirements to be met by the contractor and all subcontractors performing work on this project. The minimum requirements are triggered by federal regulations and SHRA policy and require active involvement by the contractor and subcontractors in soliciting local employees and contractors. Specifically, Section 3 of the Housing and Urban Development Act of 1968 as amended (12U.S.C. 1701u) and SHRA policy requires, to the greatest extent feasible, that employment and contracting opportunities be provided to Section 3 Residents and Section 3 Businesses.*

SECTION 3 EMPLOYMENT GOALS		
Who Must Comply	Area of Focus	Goal
Contractors	New Hires and Trainees	30% of new hires
Any Tier Subcontractors	New Hires and Trainees	30% of new hires

SECTION 3 SUB-CONTRACTING GOALS		
Who Must Comply	Area of Focus	Goal
Building trades work for maintenance, repair, modernization or development of public or Indian housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction	Subcontract Awards	At least 10 percent of the total dollar amount of all contracts
Any Tier Subcontractors	Subcontract Awards	At least 10 percent of the total dollar amount of all contracts
All other Section 3 covered contracts		At least three (3) percent of the total dollar amount

Progressive sanctions may be imposed on any contractor / subcontractor found not to be in compliance or willfully disregards the requirements of Section 3 including cancellation, termination or suspension of the contract in whole or in part, and the contractor may be declared ineligible for further SHRA contract awards for a period of one to three years.

#### **Definitions**

##### Employment Opportunity

Any job opening arising from SHRA contracts/projects, to include permanent, temporary or seasonal employment opportunities, including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly

related to administrative support of these activities (construction mgr., relocation specialist, payroll clerk, etc.)

New Hire

An individual that is not employed by the contractor prior to the time the contract is executed (hired to specifically perform work on this project). New hires and jobs created (both union and nonunion) include all job openings and vacancies created as a result of retirement, voluntary separation, terminations and expansions of the workforce, as a result of a project funded by SHRA.

Section 3 Resident

- (1) Public housing residents
- (2) Persons who live in the Local Area (within the boundaries of the City and County of Sacramento) where a HUD or SHRA assisted project is located and who is considered to be a low- to very-low income person (have a household income that falls below HUD’s income limits). HUD income limits are provided below and on the New Hire Questionnaire.

Review the chart below, match your household size (include yourself) with the **maximum** household income before taking this employment opportunity.

<b>INCOME LIMITS – 2019</b>								
Number in Household	1	2	3	4	5	6	7	8
Maximum Household Income	\$46,850	\$53,550	\$60,250	\$66,900	\$72,300	\$77,650	\$83,000	\$88,350

For example, if your household size is 3 and the total annual household income was \$55,000.00, you would fall within the income limits of the chart. From the chart above, the income was below the maximum for a family of 3 (\$60,250.00).

If the applicant’s total household income is within the limits of the chart, that person is considered a Section 3 Resident.

Section 3 Business

- (1) 51% or more owned by Section 3 residents; or
- (2) Employs Section 3 residents for at least 30% of its full- time, permanent staff; or
- (3) Provides evidence of a commitment to subcontract to Section 3 business concerns, 25% or more of the dollar amount of the awarded contract to businesses that meet the qualifications set forth in items (1) or (2) above.

Section 3 Covered Contract

A contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project.

Section 3 Covered Project

The construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance or SHRA funds.

### **Contractor & Subcontractor Obligations for Section 3 Compliance**

- (1) Demonstrate a good faith effort, to the greatest extent feasible, to utilize eligible/qualified Section 3 area residents as employees and trainees when new hires are needed.
- (2) Identify the number of positions, by classification/function, required to plan and complete the work to be done under the Section 3 covered project, this includes management and administrative personnel;
- (3) Determine how many of these positions are currently filled and which are not filled by regular, permanent employees.

### **Contractor & Subcontractor Actions to Demonstrate a Good Faith Effort**

The awarded contractor and all subcontractors on the Section 3 Covered Contract/Project are required to identify any new hire opportunity resulting from obtaining this contract. Prior to receiving the Notice to Proceed, the awarded contractor and all subcontractors shall provide to SHRA Procurement Services a complete Employee Roster and a completed/signed Section 3 Economic Opportunity Plan. If the awarded contractor and/or his subcontractors do not anticipate hiring anyone as a result of the contract, complete the bottom section of the form: "Notification of the Intent to Use Current Workforce."

Examples of actions demonstrating a good faith effort to employ Section 3 qualified residents and businesses include:

- (1) Advertise in local/neighborhood newspapers/publications.
- (2) Post opportunity flyers/notices in the common areas of SHRA public housing communities.
- (3) Contact and post flyers/notices at the Sacramento County BIC's (Business Information Centers), local and ethnic Chambers of Commerce, SBA, etc.
- (4) At the job site, post the job opportunity notice and the Section 3 poster where the public may reasonably view it.
- (5) Contact local job training centers or labor organizations.

### **Order of Preference for Hiring and Contracting**

#### **Order of Providing Training and Employment Opportunities to Section 3 Residents**

All contractors and any second tier subcontractor shall, to the greatest extent feasible, provide training and employment opportunities to Section 3 residents to meet or exceed a numerical goal of 30% of all new hires in the following order of priority:

- Priority 1: A resident of the SHRA housing site within the project area / neighborhood (i.e. Oak Park, Del Paso Heights, North Highlands, Rio Linda, etc.), and/or the Jobs Plus or Resident Services Program;
- Priority 2: A resident of any SHRA housing site;
- Priority 3: All other Section 3 eligible residents in Sacramento City/County.



**Order of Providing Preference for Section 3 Businesses in Contracting Opportunities**

Contractors and subcontractors shall direct their efforts to award Section 3 covered contracts, to the greatest extent feasible, to Section 3 business concerns in the order of priority provided below.

- Priority 1: Business concerns that are 51 percent or more owned by residents of the housing site at which the Section 3 covered assistance is expended, or whose full-time, permanent workforce includes no less than 30 percent of these persons as employees;
- Priority 2: Business concerns that are 51 percent or more owned by residents of other housing sites or developments managed by SHRA or whose full-time, permanent workforce includes no less than 30 percent of these persons as employees;
- Priority 3: Business concerns that are 51 percent or more owned by Section 3 residents, or whose permanent, fulltime workforce includes no less than 30 percent Section 3 residents, or that subcontract in excess of 25 percent of the total amount of subcontracts to business concerns identified above.

REFERENCE ONLY



## ECONOMIC OPPORTUNITY EMPLOYMENT REQUIREMENTS

**The following is applicable to all contracts related to this project.**

- A. The contract requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area.
- B. The parties to this Contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- C. Contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Employment Clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- D. Contractor will include this Employment Clause in every subcontract for work in connection with the project.
- E. Each Contractor or subcontractor undertaking work in connection with a Section 3 covered project must fulfill his obligation to utilize lower income project area residents as employees to the greatest extent feasible by:
  - 1. Identifying the number of positions in the various occupational categories including skilled, semi-skilled, and unskilled labor, needed to perform each phase of the Section 3 covered project;
  - 2. Identifying the positions described in Paragraph (1) of this Section, the number of positions in the various occupational categories which are currently occupied by regular, permanent employees;
  - 3. Identifying the positions described in Paragraph (1) of this Section, the number of positions in the various occupational categories which are not currently occupied by regular permanent employees;
  - 4. Establishing the positions described in Paragraph (3) of this Section, a goal which is consistent with the purpose of this subpart within each occupational category of the number of positions to be filled by lower income residents of the Section 3 covered project area; and
  - 5. Making a good faith effort to fill all of the positions identified in Paragraph (4) of this Section with lower income project area residents.



**DECLARATION OF UNDERSTANDING AND INTENT TO COMPLY WITH SECTION 3 REQUIREMENTS**

<b><u>General Submittal Instructions</u></b>	
<p><b>Bidder/Proposer AND its first-tier subcontractors are required to submit a completed Section 3 and Economic Opportunity Plan(s) with bid.</b> A “non-responsive” determination may be made due to non-submittal.</p>	
<p><b>Bidder/Proposer AND its first-tier subcontractors whose Economic Plans indicate no subcontract awards to certified Section 3 Business Concerns will be required to submit supporting documentation for review and approval verifying outreach efforts and attempts to award subcontracts to Section 3 Business Concerns in bid.</b> A “non-responsive” determination shall be made due to a lack of documented outreach to Section 3 Business Concerns by the Bidder/Proposer. Exception: bid/proposal indicating no projected hiring and/or subcontracting opportunities.</p>	
<b><u>Special Instructions for SHRA Developers</u></b>	
<p>Submit all completed Section 3 and Economic Opportunity Plans before construction begins or at the beginning of each project phase (determined on case-by-case). Developers submit completed Plans to:</p>	
<p>Sacramento Housing and Redevelopment Agency                  Procurement/Section 3                  801 12<sup>th</sup> St, 2<sup>nd</sup> Floor                  Sacramento, CA 95814  <a href="mailto:Section3@shra.org">Section3@shra.org</a></p>	
<b>Prime Contractor Name:</b>	<b>Subcontractor:</b>
<b>Contact Name:</b>	<b>Email Address:</b>
<b>Telephone Number:</b>	<b>Dollar Value of <input type="checkbox"/> Contract <input type="checkbox"/> Subcontract</b> \$
<p><b><u>Check All That Apply For This Project And Follow Instructions As Applicable</u></b></p> <p><input type="checkbox"/> I am the Prime Contractor</p> <p><input type="checkbox"/> I am a Subcontractor</p> <p><input type="checkbox"/> Prime/Sub Contractor will comply with Section 3 outreach for subcontracts as a result of this bid/proposal</p> <p><input type="checkbox"/> Prime/Sub Contractor will comply with Section 3 new hires as a result of this bid/proposal</p> <p><input type="checkbox"/> There will be no subcontracts or new hires as a result of this bid/proposal</p>	
<p><b><i>Bidder for the above bid/solicitation number and project hereby understands and agrees to comply with all provisions of Section 3 as set forth in 24 CFR 135.38 and SHRA’s Section 3 requirements, as applicable. Noncompliance with HUD’s Section 3 regulations may result in sanctions, termination of the contract/agreement for default and debarment or suspension from future HUD-assisted contracts.</i></b></p>	
<p><b>Authorized Official’s Signature:</b> _____ <b>Date:</b> _____</p>	
<p><b>Printed Name and Title:</b> _____</p>	

## ATTACHMENT D



## SAMPLE CONTRACT

Effective Date:	
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AS OF THE ABOVE-WRITTEN “EFFECTIVE DATE”, AND IN CONSIDERATION OF THEIR MUTUAL OBLIGATIONS, THE AGENCY AND CONTRACTOR (DEFINED BELOW) ENTER INTO THIS “CONTRACT” AND AGREE AS FOLLOWS:

1. “Agency” is/are the following selected agency/agencies, which are public bodies, corporate and politic, and which has/have the address of 801 12<sup>th</sup> Street, Sacramento, California 95814:

	AGENCY	
SELECT	<input type="checkbox"/> Housing Authority of the City of Sacramento	<input type="checkbox"/> Housing Authority of the County of Sacramento
	<input type="checkbox"/> Sacramento Housing and Redevelopment Agency	

2. “Contractor” and Contractor’s name and address for its principal place of business are the following:

Name	
Address	
DUNS #:	

Contractor is the following legal entity (select one):

<input type="checkbox"/> Sole Proprietor/Individual(s)	<input type="checkbox"/> Corporation	<input type="checkbox"/> Nonprofit Corporation	<input type="checkbox"/> General Partnership
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Limited Liability Partnership	<input type="checkbox"/> Other: Local Government

Contractor is organized in (select one):

<input type="checkbox"/> California
<input type="checkbox"/> in the following state and is licensed to do its business in California

3. “Funding Source” is the source of funding that the Agency is using to pay the Contract payments. Contractor must comply with each and every requirement of the Funding Source. Agency will cooperate with Contractor in determining the applicable requirements of the Funding Source. The Funding Source is :

Funding Source	CFDA#	Federal Award ID #	Award Year	Jurisdiction	Amount
				<input type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Local	
				<input type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Local	
				<input type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Local	

4. “Attachments” for this Contract are the following, which are incorporated in this Contract as if included in full in the body of this document:

ATTACHMENT NO. CHECK APPLICABLE BOX	DESCRIPTION OF ATTACHMENT (Attachments marked N/A or stricken are not included)
	Contract Provisions (This Contract is <i>invalid</i> without the Contract Provisions attachment)
<input type="checkbox"/> yes #__ <input type="checkbox"/> no	Federal Requirements
<input type="checkbox"/> yes #__ <input type="checkbox"/> no	CDBG and Other Federal Requirements
<input type="checkbox"/> yes #__ <input type="checkbox"/> no	Payments
<input type="checkbox"/> yes #__ <input type="checkbox"/> no	General Conditions for Limited Construction Work (If this Contract is for construction work, it is invalid without the General Conditions for Limited Construction Work attached.)
<input type="checkbox"/> yes #__ <input type="checkbox"/> no	Attachment for Architectural Services (If this Contract is for architectural services, it is <i>invalid</i> without the Attachment for Architectural Services attached.)
<input type="checkbox"/> yes #__ <input type="checkbox"/> no	Personal Identifying Information Attachment
<input type="checkbox"/> yes #__ <input type="checkbox"/> no	Conflict of Interest Form
<input type="checkbox"/> yes #__ <input type="checkbox"/> no	Other

Unless expressly stated otherwise, the Attachments shall supersede any provisions of this Contract with which they conflict.

5. “Scope of Work” for this Contract is the following [This contract is invalid unless this section is completed]. In addition to the Scope of Work here, there may be a detailed Scope of Work attached if that attachment is written by the Agency and the attachment must be in the same form as the following table, including all categories and tasks.]:

“PERFORMING PARTY”	“TASK/OBLIGATION”:	“DEADLINE”
Contractor	<i>Scope of work or summary of scope of work</i>	
Contractor	“COMPLETION DATE”: The date for completion of all of Contractor’s Tasks/Obligations under this Contract	
Contractor	“BILLING DATE”: Contractor must submit the final bill for all work under this Contract. Agency will not pay bills submitted after the Billing Date	
Agency	“FINAL DATE”: Agency must make final payment for all bills submitted in accordance with the terms of this Contract.	

6. “Contract Price” is the maximum amount that the Agency is required to pay Contractor under this Contract. The Contract Price for this Contract is as follows:

CONTRACT PRICE

7. “Payment Schedule” for this Contract is as follows:

SELECT ONE	DATE, TIME PERIOD OR PERFORMANCE TO BE COMPLETED AS CONDITION OF PAYMENT (Only one payment schedule is selected, the others not selected included):	MAXIMUM AMOUNT OF PERIODIC PAYMENT:
	Monthly payments due on the ___ day of the month	\$_____per month  _____% of Contract Price
	Quarterly payments due by the 30 <sup>th</sup> of the month following the previous quarter.	<b>Stated in Attachment</b> ____
	In the amounts and on the dates stated in Attachment ___ Payment	Stated in attachment ____
	According to the following Schedule of Tasks, periodic payment upon Contractor’s completion of each respective task:	
		Amount
	As billed by Contractor, for work actually performed and services actually provided	According to the fees and rates stated in Attachment ____ Payment
		Per the Scope of Work
	Upon completion of the work for actual work performed	Maximum Amount
	Allowed Reimbursable Expenses	
	Not to Exceed	

Contractor shall not be reimbursed for expenses that are not specifically included in the Payment Schedule. Notwithstanding any other provision, reimbursable travel expenses shall not exceed the rates allowed by the Internal Revenue Service Standard Mileage Reimbursement and shall not include expenses for travel within a forty-five (45) mile radius of the Agency’s place of business. Notwithstanding any other provision, reimbursable expenses shall not include any pro-rated overhead costs and expenses, facsimile or telecopier charges, copying costs (unless extraordinary and approved in advance by the Agency), courier charges, local and long distance telephone charges, and ordinary office and business supplies.

SHRA requires receipt of reimbursement requests within 180 days of the Effective Date of this Agreement and then, at a minimum, quarterly. If no funds are requested the agreement may be cancelled with written notice.

Contractor shall submit, at minimum, quarterly status reports on the services funded by the Agency that shall include the name, email address, and telephone number of Contractor’s contact person. Annual or closeout reports are due 30 days after the end of the calendar year. Agency shall have the right to audit such reports, including the right to review all records of Contractor related to such reports.

8. “Special Provisions” are the following provisions or additional recitals, which are a part of the contract only if approved by Agency counsel as indicated by the accompanying initials.

SPECIAL PROVISION	AGENCY COUNSEL

THIS CONTRACT IS EXECUTED in Sacramento, California as of the date first above written.

AGENCY:  
By:

CONTRACTOR:  
By:

Name:		Name:	
Title:		Title:	
		Tax ID Number:	

Contractor must file a Conflict of Interest Statement with the Agency Clerk, unless this box is checked by the Agency signatory indicating that the Contractor is excluded from filing under the Agency Conflict of Interest Code.

**CERTIFICATION OF AUTHORITY**

I certify under penalty of perjury under the laws of the State of California that I am fully authorized to execute the attached document for Contractor in the capacity I have stated, and that such execution is sufficient to bind the Contractor. Executed in \_\_\_\_\_, California, on \_\_\_\_\_.

\_\_\_\_\_  
Contractor's Signatory



## Attachment 1 Contract Provisions

1. **CONTRACT CONTENTS, PRECEDENCE AND DEFINITIONS.** This Contract consists of this Contract document and all of the Attachments named in this Contract. Except for matters required by law or expressly stated otherwise, the provisions of the attachments supersede any provisions of the body of this Contract with which they conflict. Unless otherwise defined in this Attachment 1, capitalized terms shall have the definitions stated in this Contract.

2. **SCOPE OF WORK.** Notwithstanding the wording of the Scope of Work, unless a Task/Obligation is expressly described in the Scope of Work as one that is not mandatory, each Task/Obligation described in the Scope of Work is the mandatory obligation of the Performing Party, and it must be completed on or before its respective Deadline. As the context indicates the Task/Obligation must be performed at or delivered to the Location stated in the Scope of Work.

3. **CONTRACT TERM AND TIME OF PERFORMANCE.** The “Contract Term” shall begin on the date of this Contract and shall end at 5:00 p.m. on the Final Date or upon completion of all services, whichever shall first occur. The Final Date is the date for completion of all obligations of the parties under this Contract.

a) Certain of the Contract requirements, as expressly stated in this Contract, shall survive the completion or termination of this Contract.

b) The Contractor acknowledges that it is not entitled to compensation for any work done or costs incurred prior to the date of this Contract or subsequent to the Completion Date. This contract cannot be revived, amended or extended by agreement made after the Final Date.

4. **COMPENSATION, REIMBURSEMENT AND METHOD OF PAYMENT.** Notwithstanding any other provision of this Contract, the parties agree that the total compensation and reimbursement for all services and expenses required during the term of this Contract shall not exceed the Contract Price. Agency shall pay the Contractor in the amounts and at the times specified in the Payment Schedule. Agency is not obligated to make any payment under this Contract for work Contractor has not yet performed or goods not delivered. Agency is not obligated to make any payment under this Contract for so long as Contractor is in material default of this Contract. Except as specified in writing in this Contract, Agency is not obligated or liable under this Contract to any party other than the Contractor.

5. **INSURANCE COVERAGE REQUIREMENTS.** During the Contract Term, Contractor must maintain the following insurance coverage from insurance providers licensed to do business in California and having an industry rating that is acceptable to Agency. Failure to maintain the required insurance is a material breach of this Contract. Before beginning any work under this Contract, Contractor must provide Agency with certificates of insurance or copies of the insurance policies demonstrating the required coverage, and the required endorsements naming “the Sacramento Housing and Redevelopment Agency and its constituent entities” as an additional insured. Contractor must assure that such certificates and endorsements are in a form acceptable to the Agency and reflect fulfillment of all of the requirements of this Contract. Contractor must assure that the coverage afforded under the policies can only be canceled after thirty (30) days prior written notice to the Agency of the pending cancellation. Contractor must mark such notice to the attention of the Agency’s Procurement Services Office at the following address:

SACRAMENTO HOUSING & REDEVELOPMENT AGENCY  
801 12<sup>th</sup> Street – Procurement Services (PS)  
Sacramento, California 95814

a) The required insurance coverage is the following: (i) Two Million Dollars (\$2,000,000) or more of comprehensive general liability coverage including, without limitation, coverage for contractual liability, public liability and property damage and having a deductible of Twenty-five Thousand Dollars (\$25,000) or less; (ii) if motor vehicles are used in connection with this Contract, Five Hundred Thousand Dollars (\$500,000) or more of automobile liability coverage having a deductible of Five Thousand Dollars (\$5,000 ) or less; and statutory limits or more of workers compensation coverage for all employees of Contractor and all others doing Contract work. The

policies shall be endorsed to name the “the Sacramento Housing and Redevelopment Agency and its constituent entities” as an additional insured. The insurance afforded to such additional insured shall apply to the fullest extent permitted by law and shall be at least as broad as that afforded to the named insured.

b) Cancellation: Contractor will provide the Agency with the cancellation clause and/or any amendatory endorsements that modify or change the policy cancellation clause of the insurance policies in force. It is the Contractor’s responsibility to notify the Agency of any notice of cancellation, non-renewal or non-payment of premium in accordance with your policy provisions. In the event insurance is cancelled or not renewed, the Contractor shall notify the Agency within forty eight (48) hours of such cancellation or non-renewal.

                     **Contractor’s Initials**

c) Contractor is in material breach of this Contract for so long as Contractor fails to maintain all of the required insurance. Agency has the right, but not the obligation, to pay any delinquent insurance premiums and any other charges to reinstate or maintain the required insurance policies and coverage. Upon Agency’s demand, Contractor must immediately reimburse Agency for any and all costs incurred by Agency in so obtaining and/or maintaining insurance. If Agency does incur such costs, Agency shall have the right to withhold such amount from any payment due to Contractor under this Contract and to reduce the compensation payable to Contractor under this Contract by such amount.

**6. BILLING PROCEDURES AND CONDITIONS.** Agency must make the payments due under this Contract, as provided in Part I, subject to the following provisions:

a) Agency must pay the Contract Price to Contractor for performance of Contractor's obligations under this Agreement, or so much of the Contract Price as may be due for services actually performed and materials actually supplied by Contractor under this Contract. Agency must make such payments within thirty (30) days following delivery by Contractor to Agency of invoices stating the amount then due and specifying the services performed for which payment is due. Agency is not required to make such payment more frequently than specified as the Time for Payment. Contractor will not be paid for expenses or overhead as separate items of cost unless such items are specifically listed in the Payment Schedule, and then not to exceed the amounts so provided. In any event, Agency is not required to pay Contractor a total amount for goods, services and expenses which exceed the Contract Price.

b) Contractor may make requests for payment, after the Completion Date and through the Billing Date, for services performed or materials provided to the Contract work on or before the Completion Date. The Agency shall make payments due under this Contract on or before the Final Date. The Agency is not obligated to make payments to Contractor for invoices submitted after the Billing Date.

c) As a condition for payment, Contractor must submit billing statements, in duplicate, not less than ten (10) business days before the date of a requested payment. Such billing statements shall specify the dates on which the work was performed; the nature of the work performed; the percentage of the total work performed; the name of the individual performing each element of the work; the respective hourly billing rates; a list of all expenses for which reimbursement is sought; and the requested payment date.

d) Within ten (10) days following a written request received from Agency, Contractor must provide a bill to Agency for all work done as of the request date. Agency is entitled to make similar requests at intervals of not less than thirty (30) days following the initial request.

**7. INDEMNIFICATION.** Except to extent of active negligence, willful misconduct or gross negligence on the part of Agency, Contractor shall indemnify, hold harmless and defend, to the fullest extent permitted by law, the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, the Sacramento Housing and Redevelopment Agency, the City of Sacramento and the County of Sacramento, their respective officers, directors, commissioners, advisory committee members, agents, and employees from liability, claims, demands, attorney's fees or litigation and related costs, including, without limitation, court costs and investigator, witness, arbitrator and mediator fees, for any injury or damages to persons or property resulting from Contractor's prosecution

of work under the Contract, or otherwise related to this Contract, whether caused, in whole or part, by an intentional act, negligent act or omission by Contractor, its officers, employees, or agents.

**8. NO WAIVER OF RIGHTS AND REMEDIES.** Agency's failure, at any time, to object to any breach of covenant or obligation, to any failure of performance, or to any other default on the part of the Contractor shall not constitute a continuing waiver of subsequent breaches or defaults. Agency's making of any payment to the Contractor shall not, under any circumstances, be considered a waiver by Agency. Agency's making of any payment while any breach or default by Contractor exists shall in no way impair any right or remedy available to Agency related to such breach or default, including, without limitation, the right to withhold future payments.

**9. HIRING OF OTHERS.** Unless consultants, specialists, experts or other third parties are listed in the Scope of Work, Contractor must not employ any of them or incur any obligation to pay any of them for services performed under this Contract without the prior written approval of Agency. Agency's written approval shall not create any obligation of the Agency with regard to any such third party. Contractor has no authority to, and must not purport to, employ, hire or contract with any such third party as agent of the Agency or otherwise on behalf of Agency.

**10. TERMINATION OF CONTRACT FOR CAUSE.** If either party fails to fulfill its obligations under this Contract in a timely and proper manner or violates any of the covenants, agreements, or stipulations of this Contract, and if such failure or violation is material and substantial, the other party shall have the right to terminate this Contract by written notice to the defaulting party.

a) If Contractor defaults and Agency terminates the Contract, all finished or unfinished work, products, documents, electronic media, data, studies, artwork, renderings, models, software programs, and reports prepared by Contractor under this Contract shall, at the option of Agency, become property of the Agency, upon payment to Contractor of just and equitable compensation for such work which is completed and which is reasonably satisfactory to Agency. Agency's exercise of its option to own such properties does not relieve Contractor of liability to Agency for damages on account of Contractor's default, and Agency may withhold any payments to Contractor for the purpose of setoff until such time as the exact amount of damages due Agency from Contractor is determined.

b) If Agency defaults and Contractor terminates the Contract, upon Contractor's submission of the billings and receipts required by this Contract, Agency must pay to Contractor an amount which bears the same ratio to the total compensation under this Contract as the services actually performed by Contractor bear to the total services of Contractor covered by this Contract, less payments of compensation previously made (for example, if the work is eighty percent complete, Agency must pay eighty percent of the compensation less any amounts previously paid for the work). In addition, Agency must reimburse Contractor for all unreimbursed expenses that are reimbursable under this Contract upon Contractor's submission of the billings and receipts required by this Contract for reimbursement. If less than fifty percent (50%) of the services covered by this Contract have been performed as of the termination date, Agency must also pay Contractor for that portion of the actual out-of-pocket expenses incurred by Contractor during the Contract period which are directly attributable to the uncompleted portion of the services covered by this Contract.

**11. TERMINATION FOR CONVENIENCE OF AGENCY.** Agency may terminate this Contract, at any time and without cause, by a notice in writing from Agency to Contractor. Upon such termination, Agency must pay Contractor the same amounts as Agency would have paid under Section 10.b) as a termination for Agency default.

**12. CHANGES.** Agency may, from time to time, request changes in the Scope of Work to be performed by Contractor. Such changes, including any increase or decrease in Contractor's compensation, must be by written amendment to this Contract executed in advance by Agency and Contractor.

**13. PERSONNEL, FACILITIES AND EQUIPMENT.** Contractor represents that it has, or will, secure at its own expense all personnel, facilities and equipment required in performing the services under this Contract. Such personnel must not be Agency employees or have any contractual relationship with Agency, except with Agency's prior written approval.

a) All the services required under this Contract will be performed by Contractor or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

b) No person who is serving a sentence in a penal or correctional institution shall be employed on work under this Contract.

14. **SUBCONTRACTING.** Contractor must not enter into any subcontract for performance of the services covered by this Contract without the prior written consent of Agency. In any event, Contractor shall be as fully responsible to Agency for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by them, as it is for the acts and omissions of persons directly employed by it. In any event, Contractor must insert in each subcontract appropriate provisions requiring compliance with the labor standards provisions, insurance and other relevant provisions of this contract.

15. **INTERESTS OF OFFICIALS.** No member of the governing body of Agency, and no officer, employee or agent of Agency who exercises any functions or responsibilities in connection with carrying out the project to which this Contract pertains, shall have any personal interest, direct or indirect, in this Contract. No member of the governing body of the locality in which the project is situated, and no other public official of such locality, who exercises any functions or responsibilities in the review or approval of the carrying out of the project to which this Contract pertains, shall have any personal interest, direct or indirect, in this Contract. If federal funds are expended by the Agency for this Contract, no member of or delegate to the Congress of the United States, and no Resident Commissioner, shall be admitted to any share or part of this Contract or to any benefit arising from this Contract. Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, in any portion of the project to which this Contract pertains, or any other interest which would conflict in any manner or degree with the performance of its services under this Contract. Contractor further covenants that in the performance of this Contract no person having any such interest shall be employed by Contractor.

16. **CONFLICTS OF INTEREST STATEMENT.** Contractor shall, upon Agency request, complete and submit a conflict of interest statement to the Agency in form approved by the Agency.

17. **OWNERSHIP OF PROFESSIONAL AND TECHNICAL INFORMATION.** All professional and technical information, in the form of original designs, drawings, data, computations, specifications, report texts, estimates, writings, artwork, renderings, models, software programs, and any other material, data and information collected or developed in connection with the work under this Contract, and all original documents shall be forwarded to and become the sole property of Agency. Neither Contractor nor any of its associates or consultants shall have any rights or interest in such information, documents and material. Contractor and its associates and consultants may retain such copies or reproductions, at their expense, of the original documents as necessary for their files, records and reference.

18. **NO INTELLECTUAL PROPERTY RIGHTS OR ARTIST'S RIGHTS IN CONTRACT WORK.** In any event, without the prior written approval of the Agency, Contractor and any person or entity acting on behalf of Contractor shall neither obtain nor have, and expressly waives, any rights, in law or in equity, in any intellectual property developed in furtherance of this Agreement, including, without limitation, copyright, trademark, service mark, patent or rights of an artist in a work of art. Artists preparing any artwork under this Agreement waive any rights to notice or to take any action regarding the use, removal, relocation or destruction of any artwork so prepared. Contractor represents and acknowledges that Contractor has or shall obtain such waivers in writing for all persons or entities performing work under this Agreement

19. **COMPLIANCE WITH LAWS.** Contractor must comply with all applicable laws, ordinances and codes of the federal, state and local governments, and must commit no trespass on any public or private property in performing any of the work set forth in this Agreement.

20. **CHILD SUPPORT COMPLIANCE ACT.** If this Agreement is in amount that exceeds \$100,000, the following is acknowledged and agreed to by the Contractor: (1) Contractor recognizes the importance of child and family support

and shall fully comply with all applicable state and federal laws relating to child and family support enforcement orders, including but not limited to, disclosure of information and compliance with earnings assignment orders as provided in Chapter 8(commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and (2) Contractor, to the best of its knowledge, agrees to fully comply with the earnings assignment orders of all employees and to provide the names of all new employees to the New Hire Registry, maintained by the California Employment Development Department.

21. **ASSIGNABILITY.** Contractor is prohibited from assigning, and waives all rights to assign or transfer, any interest in this Contract without the prior written approval of Agency. Any purported assignment of any of Contractor's rights and obligations under this Contract without the prior written consent of the Agency is a breach of this Contract.

22. **AGENCY COOPERATION.** Agency will reasonably cooperate with Contractor regarding this Contract. As and when requested by Contractor, Agency will furnish to Contractor any and all pertinent information which Agency may possess during the time of performance of Contractor's duties under this Contract.

23. **CONFIDENTIALITY.** All information prepared or assembled by the Contractor under this Contract is confidential. Contractor must not make this information available to any individual or organization without the prior written approval of Agency. Contractor must immediately forward to Agency all requests for information related to this Contract made by a third party to Contractor. Contractor must not disclose or permit the disclosure of any confidential information of the Agency, except to its agents, employees and other consultants, approved by Agency, who need such confidential information for the proper performance of their duties related to this Contract or on behalf of the Agency.

24. **PRIVACY.** The Contractor agrees to comply with the Federal Privacy Act of 1974 (the Act) and the Agency rules and regulations issued under the Act

25. **CONTRACTOR'S STATUS.** Contractor, for all purposes under this Agreement, is an independent Contractor and must maintain any and all licenses required by law for the performance of Contractor's obligations under this Contract. Except as expressly stated in this Contract, Agency is prohibited from directing the methods of Contractor's work under this Contract, requiring Contractor's use of an Agency office for Contractor's performance or setting regular working hours for Contractor or Contractor's employees.

26. **CONTRACT CONSTRUCTION AND ENFORCEABILITY.** The existence, validity, construction and operation of this Contract, and all its representations, terms and conditions shall conform to the laws of the State of California, exclusive of its conflict of law rules. Throughout this contract, the use of singular and plural forms, or the various gender forms, shall each include the other as the context may indicate. If any provision of this Contract is held, in whole or in part, to be unenforceable for any reason, the remainder of that provision and the entire Contract will be severable and remain in effect.

27. **NOTICES.** Any notices, bills, invoices, or reports required by this Contract shall be sufficient if sent by the parties through the United States Postal Service, postage paid, to the address of the other party as indicated in this Contract.

28. **ENTIRE CONTRACT.** This Contract contains the entire agreement of the parties. No other agreement, statement or promise made on or before the date of this Contract will be binding on the parties. No changes to this Contract are valid unless they are made by written amendment duly executed by the parties.

29. **VENUE.** Unless otherwise agreed in writing by the parties, the venue for all actions related to this Contract is Sacramento County, California.